



**COUNTY OF SAN LUIS OBISPO
BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Social Services	(2) MEETING DATE 2/9/2021	(3) CONTACT/PHONE Laurel Weir, Homeless Services Coordinator, (805) 781-1833	
(4) SUBJECT Submittal of a request to 1) approve the recommended allocations for the California Emergency Solutions Grant (Round 2) funding in the amount of \$5,522,401 and 2) authorize the Director of the Department of Social Services, or his designee, to enter into contracts and make amendments needed in order to carry out the program. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board: <div style="margin-left: 20px;"> 1) Approve the recommended allocations for the California Emergency Solutions Grant (Round 2) funding in the amount of \$5,522,401; and 2) Authorize the Director of the Department of Social Services, or his designee, to enter into contracts and make amendments to such contracts as needed in order to carry out the program. </div>			
(6) FUNDING SOURCE(S) Emergency Solutions Grant-CV (ESG-CV)	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$5,522,401.00	(9) BUDGETED? yes
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input checked="" type="checkbox"/> Board Business (Time Est. <u>30 min.</u>)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date <u>6/18/2020, 11/3/2020</u>	
(17) ADMINISTRATIVE OFFICE REVIEW Lisa M. Howe			
(18) SUPERVISOR DISTRICT(S) All Districts			



COUNTY OF SAN LUIS OBISPO

TO: Board of Supervisors

FROM: Social Services / Laurel Weir, Homeless Services Coordinator/ (805) 781-1833

DATE: 2/9/2021

SUBJECT: Submittal of a request to 1) approve the recommended allocations for the California Emergency Solutions Grant (Round 2) funding in the amount of \$5,522,401 and 2) authorize the Director of the Department of Social Services, or his designee, to enter into contracts and make amendments needed in order to carry out the program. All Districts.

RECOMMENDATION

It is recommended that the Board:

- 1) Approve the recommended allocations for the California Emergency Solutions Grant Round 2 funding in the amount of \$5,522,401; and
- 2) Authorize the Director of the Department of Social Services, or his designee, to enter into contracts and make amendments to such contracts as needed in order to carry out the program.

DISCUSSION

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was enacted on March 27, 2020 and was intended to prevent, prepare for and respond to COVID-19 and its impacts. Among its provisions, the CARES Act provided supplemental funding to the US Department of Housing and Urban Development (HUD) to assist communities in responding to the COVID-19 pandemic. This funding included \$3.96 billion nationwide for the Emergency Solutions Grants - Coronavirus (ESG-CV) program and \$5 billion for the Community Development Block Grant – Coronavirus (CDBG-CV) program. While the County will receive allocations under all three of these programs, the request today is specifically for the second round of the ESG-CV allocations in the amount of approximately \$5.2 million that will be passed through to the County from the State of California. Attachment 4 provides a summary of the COVID-19 related grants, including State grants, that the County has received or expects to receive that are targeted to preventing homelessness or preventing, preparing for or responding to COVID-19 among persons experiencing homelessness.

Emergency Solutions Grant (ESG)

The federal ESG program, authorized by the McKinney-Vento Homeless Assistance Act, as amended by the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009, provides funds to: (1) engage homeless individuals and families experiencing homelessness; (2) improve the quality of emergency shelters for homeless individuals and families by helping to operate these shelters and provide essential services to shelter residents; (3) rapidly re-house homeless individuals and families experiencing homelessness, and (4) prevent families/individuals from becoming homeless.

ESG funding is distributed annually to States and local entitlement areas. An entitlement area is defined by HUD as follows: “metropolitan cities with populations of at least 50,000 and qualified urban counties with a population of 200,000 or more.” San Luis Obispo County is considered an entitlement area. As an entitlement area, the County receives an annual allocation directly from the federal government. This grant is administered locally by the County Department of Planning and Building.

Additionally, the State of California’s Department of Housing and Community Development (HCD) also receives an annual ESG allocation. HCD awards these annual funds to local homeless Continuums of Care and to non-entitlement jurisdictions. As a result, the County also receives a yearly ESG grant from HCD under the ESG Continuums of Care (CoC) allocation. The CA ESG funding awarded to the County is administered by the County Department of Social Services, which will also administer the CA ESG-CV award.

ESG-CV

ESG-CV funds are distributed through the existing ESG program’s statutory authority and use of ESG-CV funds are governed by ESG program statutes, regulations and guidance. ESG-CV funds may be used only for the activities authorized under the ESG program, except where waivers have been provided by HUD. Activities must prevent, prepare for, or respond to COVID-19 among individuals and families who are homeless or at risk of homelessness. Specific activities that have been identified by HUD as eligible include:

- Temporary Emergency Shelters
- Training for Infectious Disease Mitigation and Prevention
- Hazard Pay
- Handwashing Stations and Portable Bathrooms
- Landlord Incentives
- Volunteer Incentives

Funding for the CARES Act ESG-CV program was divided into two tranches. The Board of Supervisors awarded Round 1 funds on June 16, 2020. A total of \$574,815 was awarded under the ESG-CV funds awarded directly to the County Department of Planning and Building, which administers both ESG and ESG-CV funds received directly from HUD.

ESG-CV Round 2

The Department of Housing and Urban Development’s (HUD) Office of Community Planning and Development (CPD) issued Notice CPD-20-08 on September 1, 2020, providing statutory and regulatory waivers for the ESG-CV funds and governing the use of such funds (see: <https://www.hud.gov/sites/dfiles/OCHCO/documents/20-08cpdn.pdf>). This

guidance limited assistance that may be provided under the Rapid Rehousing activity to 12 months per household and established a deadline of January 31, 2022 for expenditure of funds for emergency shelter activities. ESG-CV funds received directly from HUD and which are to be used for other categories of eligible activities must be spent by September 30, 2022.

Expenditure Milestone Expectations

The CPD-20-08 ESG-CV Notice also required grantees to meet expenditures deadlines to ensure timely spending of ESG-CV Round 2 (ESG-CV2) funds.

Percentage of ESG-CV2 Award	
20%	July 31, 2021
40%	September 30, 2021
60%	November 30, 2021
80%	January 31, 2022

Under Round 2, the County will receive \$6,296,591 under the ESG-CV entitlement grant that it receives directly from HUD. Of this, \$629,659 will be used for administrative costs, and \$5,666,932 will be awarded to private nonprofit agencies for eligible activities. The Department of Planning and Building will Administer these funds and will bring an item to the Board at a later date. All ESG-CV2 funds received directly from HUD must be spent no later than September 30, 2022.

California HCD ESG-CV

The Board of Supervisors awarded \$467,600 in HCD’s ESG-CV Round 1 funds on June 16, 2020. On October 2, 2020, HCD released a Notice of Funding Availability (NOFA) for ESG-CV Round 2 (CA ESG-CV2) funding available to the California Continuums of Care (CoCs) through the state’s allocation of ESG-CV2 funding through the CARES Act. The County of San Luis Obispo CoC will receive an allocation of \$5,022,401 in CA ESG-CV2 funding. This funding must be spent by July 31, 2022, which is two months earlier than the deadline for the ESG-CV2 funds received directly from HUD.

The HCD NOFA requires communities to prioritize the use of CA ESG-CV2 funds for activities designed to move persons who are currently homeless into housing. Prioritized activities include Rapid Rehousing, non-congregate shelter and Emergency Shelter. Other eligible activities include Street Outreach and HMIS. The NOFA emphasized the need to provide pathways to housing. Homeless Prevention is not an allowable component unless the CoC can demonstrate that at all homeless individuals (sheltered and unsheltered) within the service area per the most recent point in time count (PIT) are already housed or will be housed with current ESG or other sources of funding.

The NOFA also requires that recipients use the funds to:

- Address racial disproportionality in homeless populations and achieve equitable provision of services for Black, Native, and Indigenous, Latinx, Asian, Pacific Islanders and other people of color who are disproportionately impacted by homelessness and COVID-19.
- Provide housing and services that are low barrier, trauma informed, culturally responsive and housing first oriented. Individuals and families assisted with these funds must not be required to receive treatment or perform any other prerequisite activities as a condition for receiving shelter, housing, or other services for which these funds are used.

- Promote health equity. Subrecipients are responsible for examining their data, ensuring all eligible persons are receiving equitable supportive services with dignity, respect, and compassion regardless of their circumstances, abilities, or identity. Subrecipients must respond to disproportionality in access to services, service provision and outcomes and should seek to the voices of disproportionately impacted communities and those with lived experience of homelessness are centered in a meaningful, sustained way in creating effective approaches to reducing and ending homelessness.

In consultation with the County's Emergency Operations Center (EOC), staff recommend reserving \$395,000 for the activities of the EOC related to preventing, preparing for and responding to COVID-19 among people experiencing homelessness. These activities would include the costs of temporarily sheltering homeless persons who test positive for COVID-19 while they recover, as well as the costs of temporary staff needed to transport homeless persons to and from temporary shelter or testing, transportation of food and supplies, and maintenance operation, and security costs for trailers used as temporary shelter.

Staff also recommend reserving \$100,473 for the County's expenses to administer the grant.

Request for Proposals (RFP) for CA ESG-CV2

On November 23, 2020, the County Department of Social Services (DSS) released an RFP for the California HCD ESG-CV2 CoC allocation. A total of 6 applications, with requests totaling \$7,844,410 were received for ESG-CV2 funds administered by DSS. A summary of the applications received may be found in Table 1 below.

The Department of Planning and Building also released their RFP for their ESG-CV2 funds around the same time, along with an RFP for the CARES Act Community Development Block Grant-Coronavirus Round 3 (CDBG-CV3) funds.

Table 1: Responses to RFP by Agency and Funding Program

Agency	Funding Program			Total
	ESG-CV2	CA ESG-CV2 CoC	CDBG-CV3	
Transitional Food and Shelter	\$ 124,000	\$ 125,400	-	\$ 249,400
Salvation Army	\$ 2,401,709	\$ 2,015,000	\$ 400,000	\$ 4,816,709
Transitions Mental Health Association (TMHA)	-	\$ 20,000	\$ 79,000	\$ 99,000
RISE	-	\$ 13,000	\$ 30,000	\$ 43,000
Stand Strong	-	\$ 20,000	\$ 30,000	\$ 50,000
CAPSLO/ECHO/5CHC Collaborative application	\$6,100,959	\$5,651,010	\$ 1,465,891	\$13,217,860
HASLO - Improvements to Project HomeKey Permanent Housing	-	-	\$1,054,091	\$ 1,054,091
HASLO - shelter rehab/security for Project Homekey Emergency Shelter	\$1,490,909	-	-	\$ 1,490,909
People's Self-Help Housing	-		\$ 146,850	\$ 146,850
Subtotal	\$10,117,577	\$ 7,844,410	\$ 3,205,832	\$21,167,819
Available for Agencies	\$5,666,932	\$ 4,526,928	\$ 1,501,122	\$11,694,982

Staff reviewed the applications and conducted threshold reviews for eligibility. Staff also confirmed that three applicant organizations – Transitional Food and Shelter, Salvation Army, and the collaborative applicant that included CAPSLO/ECHO/5Cities Homeless Coalition – submitted duplicate or substantially similar applications under both the ESG-CV2 and CA ESG-CV2 RFPs. The agencies indicated that they were not necessarily seeking to have both grant requests funded but rather were seeking to have one approved.

An Ad Hoc Grant Review Committee met on January 11, 2021 to consider the application. The committee included representatives from County Departments, including the Public Health Agency, as well as a representative from the SLO Community Foundation and a local public health policy consultant. Staff from the Planning Department's Housing Unit and the Department of Social Services Homeless Services Unit attended to lead and support the discussion. Staff brought initial recommendations for the Committee's consideration. As recommended by HUD, the Committee review included a discussion of how applications addressed priorities identified by the local Public Health Agency in the effort to address COVID-19. These included the need for non-congregate shelter and housing options, and sanitation and hygiene measures to prevent spread of COVID-19. The Grant Review Committee then voted on recommendations for funding.

HSOC Recommendations

These recommendations were brought to the San Luis Obispo County Homeless Services Oversight Council (HSOC) on January 20, 2021. The HSOC voted to support the recommendations as set forth in Table 2.

Table 2: HSOC Recommendations for ESG-CV2, CA ESG-CV2, and CDBG-CV3 Funds

Agency	Funding Program			Total
	ESG-CV2	CA ESG-CV2 CoC	CDBG-CV3	
Transitional Food and Shelter	-	\$ 125,400	-	\$ 125,400
Salvation Army	\$ 308,811	\$ 1,597,373	-	\$1,906,184
Transitions Mental Health Association (TMHA)	-	\$ 20,000	-	\$ 20,000
RISE	-	\$ 13,000	-	\$ 13,000
Stand Strong	-	\$ 20,000	-	\$ 20,000
CAPSLO/ECHO/5CHC Collaborative application	\$ 3,867,212	\$ 2,751,155	\$ 398,581	\$7,016,948
HASLO - Improvements to Project HomeKey Permanent Housing	-	-	\$ 1,054,091	\$1,054,091
HASLO - shelter rehab/security for Project Homekey Emergency Shelter	\$ 1,490,909	-	-	\$1,490,909
People's Self-Help Housing	-	-	\$ 48,850	\$ 48,850
Subtotal	\$5,666,932	\$ 4,526,928	\$1,501,522	\$11,694,982

It is also recommended that under the total amount available for the CA ESG-CV2 funding, \$100,473 be reserved for the County's Administrative costs and \$395,00 be reserved for the County's Emergency Operations Center for eligible activities to prevent, prepare for and respond to COVID-19 among persons experiencing homelessness.

More specifics about the CA ESG-CV2 recommendations are set forth in Table 3. A more detailed summary of the proposed projects for each agency recommended for CA ESG-CV2 funding may be found in Attachment 2.

Table 3: HSOC Recommendations for CA ESG-CV2

Program	Recommended Amount	Key Activities
Transitional Food and Shelter	\$ 125,400	Non-congregate shelter for medically fragile homeless persons
Salvation Army	\$ 1,597,373	\$1,577,793 to serve up to 124 households with Rapid Rehousing assistance for up to six months
Transitions Mental Health Association (TMHA)	\$ 20,000	Temporary, non-congregate shelter and supportive services for homeless clients of TMHA
RISE	\$ 13,000	Emergency shelter services for households fleeing from domestic violence
Stand Strong	\$ 20,000	Mental health services and shelter costs for households fleeing from domestic violence
CAPSLO/ECHO/5CHC Collaborative application	\$ 2,751,155	\$2,010,299 to serve up to 77 households with Rapid Rehousing assistance for up to one year; \$565,780 to provide street outreach services
Subtotal	\$ 4,526,928	
County Emergency Operations Center	\$ 395,000	Costs related to preventing, preparing for and responding to COVID-19 among persons experiencing homelessness
County administrative costs	\$ 100,473	
Total	\$ 5,022,401	

The Board is only being asked to vote on the CA ESG-CV2 recommendations at this time. The Department of Planning and Building will be bringing the ESG-CV2 and CDBG-CV3 grant recommendations to the Board on March 16, 2021. Due to the need for funds to be distributed quickly and because of the shorter deadline for expending the CA ESG-CV2 allocation, DSS is bringing the CA ESG-CV2 recommendations to the Board separately from the ESG-CV2 and CDBG3 recommendations.

With regard to the collaborative application from CAPSLO, it was recommended that CAPSLO's proposed street outreach, Rapid Rehousing, and HMIS activities and related administrative costs be funded under the CA ESG-CV2 grant. It was also recommended that the collaborative application's full requested amount for emergency shelter activities under the CA ESG-CV2 grant be funded under the ESG-CV2 grant instead, along with the full amount requested by the collaborative application for homelessness prevention.

OTHER AGENCY INVOLVEMENT/IMPACT

The County Emergency Operations Center, the County Public Health Agency, the Department of Planning and Building were consulted prior to release of the Request for Proposals and a representative from the County Public Health Agency participated on the Grant Review Committee. In addition, the County's Homeless Services Oversight Council voted to approve the recommendations. Entities represented on the HSOC include the seven incorporated cities in the county, non-profit homeless services agencies, county government service providers, local educational institutions, Cen-Cal Health, and other community organizations.

FINANCIAL CONSIDERATIONS

Awarding funds will result in up to \$5,522,401 being made available to prevent, prepare for and respond to COVID-19 and to support grant administration. While it is anticipated that the actual amount the County will receive will be \$5,022,401, as reflected in the funding recommendations and budget above, the authorizing resolution passed by the Board in November included \$500,000 over the amount expected to be received based on the formula calculations in the HCD Notice of Funding Availability, per HCD instructions. HCD has indicated award amounts may be recalculated and would be subject to change should other jurisdictions not request the full amount available to them.

With regard to the funding set aside for the EOC activities related to homelessness and COVID-19, County staff learned on January 21, 2021 that new federal guidance had been issued that may make some of the EOC's temporary shelter activities for homeless persons with COVID eligible for 100% reimbursement. DSS staff will be working with EOC and Administrative Office staff to review this guidance as well as projected costs to determine whether to come back to the Board at a later date to request reallocation of a portion of the funds.

The CARES Act grants will also be augmented by additional Federal and State funds to address COVID-19 and the impact of the pandemic among homeless persons and those at-risk. County staff have recently learned that the County will receive approximately \$8.4 million in eviction prevention funding from the U.S. Treasury and may be eligible for approximately \$9 million in additional eviction prevention funding from the State. This funding will augment efforts to prevent individuals and families from becoming homeless once the State's eviction moratorium is lifted. Additional information may be found in Attachment 4.

RESULTS

Approving the recommendations will result in the following outcomes by the end of the grant term:

- At least 201 households will receive Rapid Rehousing assistance,
- At least 225 persons will receive temporary emergency shelter, and
- Street outreach programs will make at least 860 contacts with unsheltered homeless persons.

ATTACHMENTS

Attachment 1 – Power Point Presentation

Attachment 2 – Description of Proposed Activities by Project

Attachment 3 – Board Transmittal Letter for June 16, 2020 CARES Act Funding Recommendations

Attachment 4 – COVID Grants to Assist Homeless and Low-Income Persons